



# FOREIGN POLICY bulletin

AN ANALYSIS OF CURRENT INTERNATIONAL EVENTS

VOLUME XXXI · NUMBER 14

## Can World Economy Be Stabilized?

by James W. Angell

Since the outbreak of World War II the free Western world has had over 13 years of high and rising general economic activity. The only interruptions, and they were neither protracted nor serious, occurred at the end of the war and in 1949. Moreover, the United Nations Charter and many other important documents contain full-employment pledges which the signatory countries will carry out if they possibly can.

It therefore seems improbable that in our generation any important industrial country will again undergo the enormous economic and human losses which were inflicted by the great depression of 1929-33. Most of these losses were unnecessary in the literal sense that human action *could* have prevented them.

But while it is unlikely that such economic and human tragedies will occur again, there is no sure guarantee. A relatively small decline in the economic activity of a large industrial country which is also a large importer, like the United States, can produce violent impacts on foreign countries. A 10 per cent drop in our imports may mean a 50 per cent drop in some other smaller country's exports.

Should such a decline in activity start in a large industrial country, the interacting sequences of declining international trade, falling domestic employment in other countries, shrinking monetary reserves, and mushrooming commercial and foreign-exchange restrictions, which became so dismally familiar in the 1930's, could then develop again only too easily.

At the present time it may seem unrealistic to talk in these somewhat gloomy terms. We are still in the midst of a rearmament boom and the resulting high activity and inflationary pressure. But if the rearmament succeeds in its purpose, and if war is thereby avoided, the boom will end—perhaps in 1954, perhaps earlier. In the United States we have been having both guns and butter, and it is therefore not at all clear that any very large increase in civilian demand above present levels will appear to take the place of the demand for armaments if the latter slackens. A substantial although probably short recession in this country is quite likely if the armament demand drops sharply or even levels off abruptly, and could easily produce magnified effects on foreign countries. If the

APRIL 1, 1952

FOREIGN POLICY ASSOCIATION INCORPORATED  
22 EAST 38TH STREET · NEW YORK 16, NEW YORK

PRODUCED BY UNZ.ORG  
ELECTRONIC REPRODUCTION PROHIBITED

worst happens, a cumulative decline might start which could lead to a new world depression.

The best way to prevent such disasters, which only the Communists can wish to see inflicted on the free world, is to prepare the necessary countermeasures in advance. With a view to such preparation on the international front, the United Nations recently requested an international group of five economists to examine the problems involved. Their report, "Measures for International Economic Stability," has been submitted to the UN Economic and Social Council.<sup>1</sup>

### Three Possible Remedies

The report does not attempt to propose measures for dealing with world depressions of a size and duration comparable to that of the early 1930's. At the present level of our imports, however, even a mild recession comparable to that of 1937-38 originating in the United States today might impose a loss of dollar receipts on our international trading partners of as much as \$10 billion over a period of a year or two.

To deal with the possible international impacts of a recession in a leading country and to avoid the otherwise likely consequence—a new era of tightening trade and exchange controls—the report proposes three groups of measures.

1. United Nations (1951.11.A.2); 48 pp. The group consisted of G. D. A. MacDougall (England), Javier Marquez (Mexico), Hla Myint (Burma and England), Trevor W. Swan (Australia) and the present writer (United States).

(1) *International commodity agreements, such as multilateral quota systems or buffer stocks, to reduce the impact of short-run swings in demand or supply of primary products.* The object should not be to hold prices up over time, or to alter the long-run relations among groups of prices from what they would otherwise be, or to provide a dumping-ground for enduring "burdensome surpluses," but only to tide over temporary fluctuations. Intelligently drawn commodity agreements would also reassure primary producers who now hesitate to expand and face foreign rationing of their exports, and would help bind their political allegiance to the free world.

(2) *The international flow of capital should be varied so as to help maintain a steady rate of economic activity and general development in the underdeveloped countries.* This means that when the export and other foreign-exchange earnings of these countries fall because of recession abroad, the rate of flow of foreign capital to them should be increased. The International Bank for Reconstruction and Development is an eminently appropriate agency to implement such a policy. The report concludes, however, that the Bank's loan resources (the Bank makes no grants) should be substantially increased. There are various ways of doing this. The easiest is to allow the Bank to borrow in turn from the governments or central banks of the capital-exporting countries.

(3) *Most important of all, the re-*

*port finds that the resources of the International Monetary Fund should be greatly expanded and its operating rules radically changed.* The world's existing international monetary reserves are in general grossly inadequate except in the United States, and a world economic disturbance like that of 1937-38 would swiftly exhaust the Fund's present holdings of gold and U.S. dollars. A sufficient expansion of the Fund's resources, however, would enable its members to ride out a storm such as that of 1937-38 without serious damage and without being forced back into the bog of trade and exchange restrictions. There are various possible ways of achieving the proposed increase in the Fund's resources. The easiest and quickest is probably to allow it to borrow the necessary sums from the government or the central bank of the country in which the recession originates. To make its resources effective, however, the Fund must be able to lend far more freely in emergencies, and in far larger amounts to individual countries that are under pressure, than its present rules and practices permit. The report makes detailed recommendations for the necessary revisions.

For a number of reasons, it seemed clear to the authors of the report that the United States is the country in which substantial economic fluctuations that may have a serious adverse effect on other nations are most likely to originate. I personally also believe that the United States must similarly play the key role in carry-

(Continued on page 8)

Published twice a month by the FOREIGN POLICY ASSOCIATION, INC., 22 E. 38th St., New York 16, N.Y., U.S.A. EDITORIAL ADVISORY COMMITTEE: SPRUILLE BRADEN • HENRY STEELE COMMAGER • JOHN MARSHALL • PHILIP E. MOSELY • ANNA LORD STRAUSS • SUMNER WELLES. BROOKS EMENY, *President*; VERA MICHELES DEAN, *Editor*; BLAIR BOLLES, *Washington Correspondent*; FELICE NOVICH, *Assistant Editor*. • *The Foreign Policy Association contributes to public understanding by presenting a cross section of views on world affairs. The Association as an organization takes no position on international issues. Any opinions expressed in its publications are those of the authors.* • Subscription Rates: \$4.00 a year; single copies 20 cents. Re-entered as second-class matter September 26, 1951 at the post office at New York, N.Y., under the Act of March 3, 1879. Please allow one month for change of address. Contents of this BULLETIN may be reproduced with credit to the Foreign Policy Association.

347

*Produced under union conditions and composed, printed and bound by union labor.*



## Political Strings on MSA

Following President Truman's request on March 6 for a new foreign aid appropriation of \$7.9 billion, the question arises not only whether Congress will make that sum available but also whether it will cut out the restrictions in the Mutual Security Act of 1951 which at present limit the usefulness of the aid.

One restriction, particularly, has weakened rather than strengthened the relations of the United States with a number of non-Communist countries, notably in Asia. This is the requirement that countries receiving American financial help from the Mutual Security Administration, either for rearmament or for economic development, must agree formally to support the general aims of United States foreign policy. The beneficiary countries undertake in writing to reduce "international tension," to contribute to the defense of the non-Soviet world, and if they are receiving military aid, to develop their own defenses.

### Asian Objections

The North Atlantic allies (except Iceland and Portugal, which receive no military aid, and Ireland, which as a result of nonsignature no longer receives economic aid) as well as Yugoslavia have made these commitments; they share the official American opinion that the best means for easing international tension is to confront the Soviet Union with strength in the form of military power. Asian countries, however, view the agreements differently; and so does Mexico, which has refused to accept military aid under the circumstances. While the Philippine Republic and Thailand have signed, elsewhere in

Asia governments and peoples object to the MSA requirement as an undesirable encroachment on their newly achieved national independence.

The first evidence of Asian resentment against the Mutual Security Program came from Iran, which refused to sign an agreement. As a result, the military aid inaugurated there in 1949, before Congress imposed the present conditions, has been suspended for 1952. The Indonesian cabinet which signed an agreement in order to qualify for economic help from the Mutual Security Administration was forced out of office on February 21 by political opposition. The agreement, however, is still in force, and Washington considers the Republic of Indonesia eligible for help as long as no Indonesian cabinet denounces it. Burma has rejected the conditions on which the United States would base economic help to that country. The United States, consequently, is not supplying military aid to any country in the long southern tier of Asia from Thailand to Turkey, which is a member of NATO.

### Help for Pakistan

For the most part the leaders of these Asian countries seem to be confident that they can remain free from domination by Russia without subordinating themselves to the wishes of the United States. Moreover, some countries in Asia which do trust the United States have also found cause to resent the manner in which Washington carries out the foreign aid program. The most important of these countries is Pakistan.

Ghulam Mohammed, Pakistan's

governor general, has encouraged his compatriots to adopt friendship toward the United States as a basic attitude in world affairs. Pakistan's share of American foreign aid is \$12 million for Point Four technical assistance. The smallness of the sum offended the Pakistanis when the United States proffered it this January. Iran, Pakistan's neighbor on the west, receives \$23 million, and India, Pakistan's neighbor on the south, receives \$54 million from the Technical Cooperation Administration of the State Department. For such Point Four grants from the State Department no mutual security agreement is required. The United States explains the difference in sums from country to country on the ground that Pakistan's neighbors need expensive irrigation developments and Pakistan does not. Pakistanis explain it otherwise. They say that the United States limits its help there because it takes for granted that Pakistan is in our camp and need not be wooed with gifts.

President Truman has asked Congress to include \$1,019,000,000 for Asia in the \$7,900,000,000 foreign aid appropriation he is seeking. The United States would be able to spend the money to better advantage if Congress gave the foreign aid administrators authority to use their discretion in deciding what countries to make agreements with and what kind of agreements to make. Under existing circumstances the foreign aid administrators have to distribute aid as though they were conferring a boon on the beneficiaries instead of buttressing the security of the United States.

BLAIR BOLLES





## Underpinning of the Superstructure

Much was heard during and after the NATO conference at Lisbon about "superstructure" and "infrastructure," but little was publicly said, even if much was privately thought, about the underpinning of the North Atlantic security system. This underpinning consists of the people of each of the participating nations—people who may seem to be silent and apathetic while the great diplomatic negotiations go on but who keep on reaching conclusions of their own.

### The Widening Gap

Under a smoothly functioning democratic system the governments are assumed to express the will of the people as they understand it. A striking aspect of the political situation in Western Europe today is the extent to which a gap has developed between governments and peoples—a gap whose existence slows down or invalidates policies agreed on in the more rarefied sphere of diplomacy.

Thus a serious shock is felt around the world when, shortly after what seemed to be a far-reaching agreement at Lisbon, the Faure cabinet in France in which M. Robert Schuman was serving as foreign minister topples. Then an independent Republican, Antoine Pinay, in trying to put together a new cabinet, attempts to replace M. Schuman, and retains him only because of the determined insistence of the foreign minister's party, the liberal Catholic MRP, without whose cooperation the first Center-Rightist cabinet in France since 1945 could not be formed. A still greater shock, for those who have not been following France's political and public

opinion trends, is the realization that even a conservative cabinet like that headed by M. Pinay has little chance of success because General Charles de Gaulle refuses to cooperate with it unless he can assume unchallenged political leadership.

Surprises may also be in store for those who, with eyes fixed on the superstructure, have neglected to watch the underpinning in West Germany and Britain. The Bonn government of Dr. Adenauer has worked vigorously to restore German sovereignty and has undertaken to proceed with rearmament—only to discover that rearmament on the terms so far offered by the Allies is strongly opposed by the Social Democrats and that important elements of the former Catholic Center party reject rearmament altogether and urge unification. In Britain Aneurin Bevan, stormy petrel of the Labor party, refused on March 5 to vote for the full rearmament program Winston Churchill inherited from Clement R. Attlee, and with the support of 56 members of the party in Parliament thus openly challenged the authority of more moderate leaders like Attlee and Herbert Morrison.

### The Common Denominator

Disparate as the Gaullists, the German Social Democrats and the Bevanites seem on the surface, they have one common denominator: dissatisfaction with the policies, sometimes domestic, sometimes foreign, often both, of the governments now in power in the three leading nations of Western Europe. General de Gaulle, Dr. Kurt Schumacher, the violent nationalist leader of the German Social Democrats, and Aneurin Bevan

squarely base their appeal to their respective peoples on a deep-seated nationalist sentiment.

They are not intrinsically opposed to cooperation with other nations, nor are they pro-Russian. What they oppose in vigorous terms is continued dependence on the United States in the East-West cold war. What they demand is independence to choose freely the course their nations will pursue in world affairs. General de Gaulle, unpalatable as his intransigent temper may have been to Britons and Americans who had to deal with him during World War II, can never be accused of "nonresistance" to foreign pressure. He opposes the North Atlantic coalition in its present form and wants it enlarged to include Asia and Africa. He also urges a direct agreement between France and West Germany. The German Social Democrats, particularly in Berlin, have demonstrated their staunch attachment to democracy and their irrevocable opposition to communism. Aneurin Bevan does not contend that Britain should stay unarmed but questions the possibility of reconciling current rearmament expenditures with the maintenance of minimum living standards.

Some Americans, finding current trends in Western Europe unpalatable, point to them as justification for reduction of American aid to the NATO countries. It may be useful for us, however, to realize that the United States will only confirm Moscow's propaganda about the subservience of NATO if it demands that its allies act as mere satellites, unquestioningly subject to Washington's policy decisions.

VERA MICHELES DEAN



## Food and Freedom in India

by Jerome B. Cohen

Professor Cohen, of the department of economics at the College of the City of New York, has recently returned to his academic post after a two-year leave of absence during which he served as Chief of the South Asia Branch, Office of Intelligence Research, Department of State. The views expressed here are his own and are not in any way to be construed as representing those of the Department of State.

A Communist-dominated leftist coalition scored striking gains recently in South India in the largest election ever held in the free world. While Prime Minister Nehru's dominant Congress party retained a majority in the national Parliament, it lost control of the legislatures of several South Indian states. Reasons for the upset are not hard to find.

### Why Communists Gained

In the state of Madras, for example, 55 million people faced the fourth failure of the monsoon in as many years and famine once more spread over the countryside. In southernmost Travancore-Cochin the grain ration at the time of last year's food shortage was cut from twelve ounces per day to eight and then again to five and never restored, since American foodgrain shipments were used mainly in the more politically important north. A ration of five ounces of grain a day over many months is hardly the best way of winning voters to the support of the party in power. In many villages of South India Communists went from hut to hut, and where entire families—adults, children, grandparents, bullocks and all—were living in one room, they wrote down the name of the head of the family. Asked why, they replied that when the Communists came into power their government would provide the family with a new two-room dwelling.

In Hyderabad in south central India, situated between the states of Madras and Bombay, the Communists had seized a 10,000-square-mile

area in the southeastern section known as Andhra. The Andhra Communists broke down existing law and order, drove out landlords, won over some peasants by giving them free land and terrorized the more recalcitrant ones into submission. It took the combined efforts of the Indian police and units of the Indian army to restore governmental authority in the area. But when the election came, the peasants were reminded of what happened and remembered that the Communists had given them land, whereas the state government had only belatedly passed a land reform act and then had largely failed to carry out its provisions. In one Indian port, as American ships unloaded grain into waiting railway cars, the Communists painted "Gift of the U.S.S.R." on the side of the cars, and as the cars went winding at freight-train pace through the countryside, onlookers everywhere gaped and read, "Gift of the U.S.S.R."

Time is working to the advantage of the Communists in India. The grinding poverty, the appalling pressure of population on the land, are creating a more difficult economic situation each succeeding year, and the Communists are now cleverly exploiting every facet of the recurring food crisis. The present Indian population of some 361 million is increasing by 45 to 50 million each decade. Yet acreage under cultivation in India is not increasing, yields are only a third to a half of those in other major agricultural countries, and annual per capita food consumption in

India has been declining in recent years. Twenty years ago Indians consumed approximately 370 pounds of foodgrains per capita per year. By 1950-51 this amount had declined to 315 pounds, and by 1956, when it is estimated that the Indian population will have reached 378 million and its foodgrain deficit, in the absence of development, some 7.2 million tons per year (it is at present 5 million tons), the per capita foodgrain consumption will be down to about 300 pounds. By 1960 India's population will exceed 400 million, and the implications for food supply are obvious.

### Food Insufficiency

Three-fourths of the Indian labor force is engaged in agriculture; yet India is not self-sufficient in foodstuffs. Both last year and this year India has had to import some 5 million tons of foodgrains at an annual cost of \$500 million. The burden of food imports places a very heavy drain on India's foreign exchange resources and thereby retards industrial development. Indian agricultural yields are among the lowest in the world. Only approximately 750 pounds of rice per acre are produced, compared to 1,400 pounds in the United States, 1,550 in China and 2,100 in Japan. In India 75 million agricultural workers cultivate 340 million acres, while in the United States only 8 million work 360 million acres. The United States uses 2.5 million tractors; India, about 10,000. The United States applies 20 million tons of fertilizer to its land

each year; India uses only 200,000 tons, and this mainly on nonfood crops. Today total food consumed in India averages 1,760 calories per capita per day as against 2,010 calories prescribed by the Food and Agriculture Organization as the minimum to sustain health in tropical countries. The average life-span in India is only 27 years; nearly 60 per cent of the people die before they reach the age of 30, and 45 per cent before their 10th year. In over-all terms the extent of India's poverty is measured by an annual per capita income of about \$57, compared to \$100 in Japan and \$773 in Britain.

While India needs many things, the crux of its development problem over the immediate and short term is the requirement for a major effort to maximize foodgrain output by every possible means. Perhaps nowhere else in the world is the problem of population pressure on the land more intense than in India, and nowhere are solutions required more urgently. The existence of the present moderate government and India's continued adherence to the free world are squarely dependent on the ability of Indian planners, with outside assistance, to solve the food problem within this decade. That Indian leaders are aware of the magnitude and gravity of their economic situation is indicated by their enthusiasm for, and devotion to, economic planning and development. Perhaps in no other country in the free world has so much attention been paid to, and so large an effort been directed toward, economic development.

India has a National Planning Commission headed by Prime Minister Nehru and is currently in the second year of carrying out its first five-year plan. Total expenditures contemplated under the plan amount to about \$3.6 billion, less than the cost of servicing the United States

public debt for one year. Yet even this modest expenditure for a nation with two and a half times our population involves foreign assistance of more than a half billion dollars, without which India could not hope to complete its program. Some foreign aid has already been forthcoming; but the total is nowhere near the required sum, and indeed the goals set in the plan itself merely keep India's head above water for half a decade. They provide for little material improvement in the economic lot of the Indian people, so great is the magnitude of the problem.

### **The Five-Year Plan.**

Almost half of the proposed expenditure under the plan is to be devoted to agricultural and river valley irrigation and power development. In this sector a multipronged assault upon the food problem is contemplated by means of agricultural extension, fertilizer plants, improved seeds and tools, reclamation, tubewells, river valley development and other irrigation measures, major and minor. The main emphasis in the agricultural program has been placed on irrigation, since only one-third of the acreage under cultivation in India has a reasonably assured water supply. India has more multipurpose river valley development projects of the TVA type under way than any other country in the world. Some 160 are either in the planning or execution stage and under the five-year-plan schedule are calculated to irrigate an additional area of 8.8 million acres in the last year of the plan and to generate 1.1 million KW of additional power.

By extensive application of fertilizer, widespread agricultural extension work using improved seeds, better farm implements, more modern techniques, India can probably

achieve a 60 per cent increase in foodgrain yields and a 100 per cent increase in potatoes, vegetables, etc. While India now uses almost no fertilizer on food crops, fertilizer alone can increase foodgrain yields by 30 per cent. An American agricultural extension expert, Horace Holmes, working in the Etawah district of Uttar Pradesh, demonstrated that foodgrain output could be increased 40 to 50 per cent simply by improved agricultural techniques. On the other hand, quite apart from fertilizer or better agricultural techniques, yields are very much higher on irrigated than on nonirrigated land. Wheat yields in the irrigated part of the Punjab are 100 per cent higher. Of India's total cultivated acreage of 340 million only about 10 per cent, or some 35 million acres, are at present irrigated.

The sum total of all these measures in the agricultural and river valley development sector, if the plan is fully carried out, will be to put 23.7 million additional acres into cultivation and increase foodgrain production by 7.2 million tons. Thus the expected increase in foodgrain output by the end of the five-year plan, which is to terminate in 1956, will just about cover the anticipated deficit in over-all grain requirement. The annual increase in population in India requires 700,000 tons of additional foodgrains each year. Over a decade some 7 million additional tons are needed just to keep pace with the growth in population. It is estimated that by 1960-61 India's foodgrain deficit, in the absence of effective development measures, will reach 10 to 12 million tons.

Under these circumstances it is clear that the many-faceted attack on the food problem provided for in the first five-year plan is a minimum program which must be achieved if India is not to be overwhelmed by dis-

aster. In cold statistical terms, with the agricultural development contemplated in the plan, foodgrain consumption by the end of 1956 may reach 350 pounds per capita, a gain of 50 pounds over the 300 pounds it would be in the absence of development, but the 350 pounds is still some 20 pounds less than the quantity per capita available in the late 1930's—370 pounds.

### Industrial Outlook

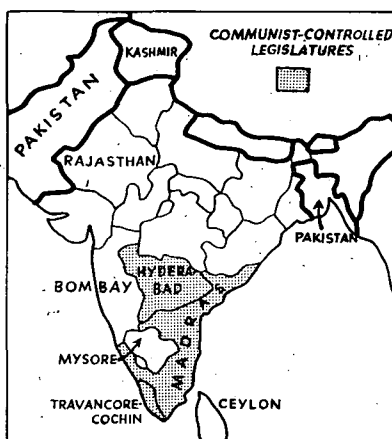
It is odd that India should be less industrialized than Japan, for India has a much greater potential. In contrast to Japan, it has within its own borders most of the essential resources for modern industrial power. Indeed although India ranks as the eighth largest industrial country in the world, its industrial base is tiny in comparison to its needs. With the best iron ore deposits in Asia, adequate supplies of coking coal, a large surplus of manganese ore and good reserves of refractory materials, there is little reason for India's steel industry to produce but 1 million tons of steel per year and for India to continue to import iron and steel.

Of the total five-year plan expenditures, the industrial sector is allotted only 7 per cent. The industrial goals are very modest. It is expected that jute manufactures can be increased by one-fourth over present levels, steel output raised slightly from 1 million tons to 1.3 million tons, and cement production increased from 2.6 to 4.6 million tons. Other limited increases can be achieved in cotton textiles, aluminum, paper, newsprint and salt. This is a far cry from the earlier Bombay plan with its major emphasis on a great expansion of industrial output. The five-year plan realistically recognizes that while over the longer run greater industrialization drawing off and absorbing surplus manpower from agricul-

ture is one of India's real needs, the more urgent and immediately pressing problem is the necessity of vastly increasing food output, not only to keep pace with the population growth but, if India is to retain its freedom, to provide a significant increment in the daily caloric intake of the average Indian.

### Worry and Hope

This observer, surveying the Indian scene, is both worried and hopeful—worried because of the enormous magnitude of the tasks ahead, the complexity of the problems to be faced, the need to do so much merely to keep pace with population growth,



the lack of knowledge about India and the apathy of the American people, and the relatively negative attitude of a United States Congress which is seemingly unconcerned by the growing threat to the second most populous country in the world. While many Congressmen permit themselves to engage in the dubious demagoguery of denouncing Nehru for neutralism, appeasement and so on, what would they not give to have his type of moderate, middle-of-the-road government in power in China today, with the opportunity to aid and persuade it? How much more expensive will it not be to at-

tempt to retrieve an India, which through default, had slipped behind the Iron Curtain, than to help, by substantial economic assistance, prevent the catastrophe from occurring?

But one can also be hopeful because we have made a start in aiding India, because the situation is not hopeless, because clear solutions are apparent. Yields can be increased, additional land can be put into cultivation, water supply can be regularized, the foreign exchange savings resulting from a decreased need to import foodstuffs can be used to purchase machinery and equipment to step up India's industrial output. The basis for modern industrial strength exists. It will not be easy to develop, but the Indians are anxious and eager for such a development. There is not in India the reluctance and lethargy toward economic development which characterize many of the countries of the Near and Middle East. India needs external assistance on a larger scale than at present, and the West has perhaps five years of grace, in all, left to help India help itself. If by the time of the next general elections there has not been a material improvement in the economic condition of the people of India, an extreme leftist coalition is likely to defeat the Congress party and make India a Communist country. It is very clear that India must grow food or forfeit freedom.

READING SUGGESTIONS: Kingsley Davis, *The Population of India and Pakistan* (Princeton, Princeton University Press, 1950); *The First Five-Year Plan* (New Delhi, Government of India, National Planning Commission, 1951); "A Story and a Plan," *The Eastern Economist*, Independence Number (New Delhi, Vol. XVII, No. 5, August 10, 1951); C. N. Vakil, *Economic Consequences of Divided India* (Bombay, Vora & Co., 1951); M. B. Nanavati and J. J. Anjaria, *The Indian Rural Problem* (Bombay, Indian Society of Agricultural Economics, 1947); D. S. Nag, *A Study of Economic Plans for India* (Bombay, Hind Kitabs, 1949).



## Angell

(Continued from page 2)

ing through nearly all of the countervailing measures which the report proposes. This country is now the world's largest importer and exporter of goods and the largest exporter of

capital. If Americans want a free world to endure—and we ourselves cannot live in any other world—we must continue to provide a large part of the economic as well as the political leadership. This is not philanthropy. It is simply taking out insur-

ance to help guarantee our own survival.

(Dr. Angell, professor of economics at Columbia University, served as assistant administrator, Foreign Policy Administration, in 1945 and as United States representative with the rank of minister on the Allied Reparation Commission, 1945-46.)



## FPA Bookshelf

### BOOKS ON MIDDLE AND FAR EAST.

*My Mission in Israël*, by James G. McDonald. New York, Simon & Schuster, 1951. \$3.50.

A sympathetic and moving story of the early development of Israël, the world's youngest nation. Former Ambassador McDonald, honorary chairman of the Foreign Policy Association, tells of the internal and external events as well as of the men shaping this new-old country. Frequent excerpts from his diary covering the stirring two and a half years add interest and a change of tempo. This fast-paced commentary on history still in the making is absorbing reading.

*The Land of the Camel: Tents and Temples of Inner Mongolia*, by Schuyler Cammann. New York, Ronald Press, 1951. \$5.

A unique report on a little-known but important marginal area between the traditional Chinese and Russian spheres, this account of a trip through western Inner Mongolia in 1945—perhaps the only such trip by a Westerner just before the Communists sealed off the area from outside contacts—provides interesting insights into the life and attitudes of the people and the character of intruding Chinese influence.

*Japan*, edited by Hugh Borton. Ithaca, Cornell University Press, 1951. \$4.

Twenty experts have contributed highly readable essays on all phases of Japan's history, geography and culture. Western

readers should find the discussions of the ethical and artistic values which make up the Japanese way of life particularly enlightening.

*Japan in World History*, by G. B. Sanson. New York, Institute of Pacific Relations, 1951. \$2.

Based on a series of lectures delivered in 1950 at the University of Tokyo, this slim volume serves as an admirable introduction to the study of the important role which the national history of Japan has played in the aggregate of human societies. Sir George believes that through the espousal of the great tradition of humanism, Japan can play a decisive part in the present world struggle.

*Brain Washing in Red China*, by Edward Hunter. New York, Vanguard, 1951. \$3.75.

A Far Eastern correspondent describes the psychological weapons being used by the Communists to consolidate their power in China. Interviews with escapees in Hong Kong and analysis of Communist books, cartoons, plays and songs show, the author believes, that the Chinese people are being indoctrinated to become "disciples of Russian communism, on a world crusade for war against the United States."

*Chinese Communism and the Rise of Mao*, by Benjamin I. Schwartz. Cambridge, Harvard University Press, 1951. \$4.

A penetrating, objective and readable study of the development of the Chinese Communist party and its relations with the

Kremlin. Dr. Schwartz, assistant professor of history and a research associate of the Russian Research Center at Harvard University, makes a timely contribution to informed discussion of one of the most controversial and crucial issues of the day.

*Asia and the West*, by Maurice Zinkin. London, Chatto, 1951. Issued under the auspices of the International Secretariat, Institute of Pacific Relations, and distributed in the United States by the Institute of Pacific Relations. \$3.50.

A British author who has served as a member of the Indian Civil Service and is now with Lever Brothers in India brings fresh insights to Western understanding of Asian problems. His book, in spite of its unevenness, represents an important contribution to the as yet small shelf of works that offer thoughtful evaluation of Asia's current development in terms of its own particular circumstances.

*The Autobiography of an Unknown Indian*, by Nirad C. Chaudhuri. New York, Macmillan, 1951. \$6.

A deeply pessimistic picture of India by the son of a landowning and professional family who failed in his aspiration to become a historian and who, looking back at India's history with a deep nostalgia for the departed British, contends that the "rebarbarization" of India is "as sensational and as ominous for human civilization" as "the barbarization of Germany by the Nazis." He believes the only hope for India is domination by the United States.

## FOREIGN POLICY BULLETIN

22 East 38th Street

New York 16, New York

*In the next issue*

**The United States and Asia**

*by Chester Bowles*

*U. S. Ambassador to India*

Alfred University Reading Room

Alfred

New York